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SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 08/28/07

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ARTICLES:

- (1) Reshuffled Abe cabinet launched: Finance Minister Nukaga to firmly maintain government's fiscal recapitalization goal;
"Discussion should include the consumption tax"

The new Abe cabinet, launched yesterday evening, will be under pressure to swiftly deal with a mountain of pending issues, including tax and fiscal reforms and the pension fiasco. Concerning tax system reform, Finance Minister Fukushima Nukaga told a press conference, "It is important to discuss the tax system reform issue, including the consumption tax." Health, Labor and Welfare Minister Yoichi Masuzoe indicated a stance of giving top priority to settling the pension issue. He noted, "My responsibility for settling the pension issue is weighty." However, coordination of views with the Democratic Party of Japan (DPJ or Minshuto), which gained a majority in the July Upper House election, is expected to be difficult. His ability to move pension policy forward will be tested.

Tax and fiscal reforms

Hidenao Nakagawa, who attached importance to a natural increase in tax revenues through economic growth, is no longer LDP secretary general. A Finance Ministry official took the view that the Abe administration has delicately changed the balance between growth and fiscal recapitalization with the appointment as chief cabinet secretary of Kaoru Yosano, who advocates fiscal recapitalization.

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The government will aim at achieving a primary balance surplus by fiscal 2011 so that administrative expenses can be covered with tax and non-tax revenues. Nukaga stressed, "I will firmly maintain the government goal of moving the primary balance into the black by fiscal 2011." Yosano during a press conference also indicated his determination to promote expenditure and revenue reform, noting, "It is imperative to check whether it is possible to move the primary balance into the black, based on various premises."

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The greatest focal point is a consumption tax hike. The government plans to raise the portion of the basic pension funded from tax revenues in fiscal 2009. Nukaga indicated his intention to fully discuss the issue as previously planned by the government and the ruling camp, noting, "I would like to pursue discussion on how to secure stable funding resources in a far-reaching manner." However, the opposition parties are calling for keeping the consumption tax rate intact. There is no common ground in sight.

Regarding a corporate tax break, Nukaga indicated his perception that it is important to boost the vitality of small and medium businesses." He indicated a positive stance to the idea of applying a policy tax cut to limited items. Regarding a cut in the effective corporate tax cut, he simply said, "It is necessary to give consideration to their international competitiveness." However, when it came to a question of when to cut the rate, he simply noted, "We must discuss that issue." Touching on the sub-prime loan issue in the US, Nukaga said, "We must carefully observe economic indexes so that we will not make a mistake."

Immediate challenges in economic and fiscal policy

Tax and fiscal reforms

- ? Drastic reform of the tax system, including the consumption tax
- ? Secure funding resources to raise the portion of the basic pension to be financed from tax revenues

- ? Moving the primary balance of the central and local governments into the black by fiscal 2011

Economy and growth

- ? Break with deflation (for an additional interest rate hike by the Bank of Japan)

- ? Vitalize local economies with such measures as the establishment of a regional power revitalization organization.

- ? Take measures to boost labor productivity and increase part-timers

Social security

- ? Blanket settlement of the public pension premium contribution record-keeping error

- ? Take measures to deal with the shortage of medical doctors in regional districts
- ? Secure Diet approval for a bill amending the Minimum Wage Law
- Economic strategy
- ? Strengthen diplomatic talks to procure resources and energy
- ? Secure safety of nuclear power plants
- ? Promote economic partnership agreements (EPA) with Asian nations
- Agriculture
- ? Secure food safety by dealing with such problems as false labeling of food
- ? Improve the productivity of agriculture in order to cope with globalization
- ? Promote liberalization talks at the World Trade Organization
- Disparities between urban and rural areas
- ? Steadily promote decentralization reform
- ? Adjust fiscal disparities among local governments
- ? Making a hometown tax payment system a concrete deal

(2) Will Abe be able to uphold his policy?

ASAHI (Page 3) (Abridged)
August 28, 2007

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Following the July House of Councillors election in which the ruling coalition lost control of the chamber, a new Abe cabinet was launched yesterday. Now that the major cabinet ministers have been replaced, will the Abe administration be forced to revise its policy course? This article discusses what might happen to tax and fiscal policies, including the consumption tax, social security policy, including the pension issue, and the question of extending the Antiterrorism Special Measures Law that are all likely to take center stage in the next extraordinary Diet session.

Tax, fiscal policy, and economy

"We won't be able to enact any bill unless the Democratic Party of Japan supports Things must be discussed thoroughly with the opposition parties in order to meet public expectations."

This comment came last evening at the Kantei (Prime Minister's Official Residence) from Fukushima Nukaga, who has been named finance minister. Nukaga underscored the importance for the ruling and opposition blocs to discuss tax reform.

The Abe administration has repeatedly indicated that it would launch an effort to fundamentally reform the taxation system, including the consumption tax, this fall after the Upper House election. The government and ruling parties were supposed to begin discussing a consumption tax hike as early as September in order to present a bill in the ordinary Diet session next year. The plan was derailed by the July Upper House election in which the opposition gained control over the chamber. Discussion between the ruling and opposition camps is essential for advancing tax reform.

But a dominant mood in the Liberal Democratic Party is that hiking the consumption tax is not possible for the time being. In the previous election campaign, the Democratic Party of Japan, which has now become the largest party in the Upper house, pledged not to raise the consumption tax rate. Even if the DPJ opted to hold talks with the LDP, chances are slim for the largest opposition party to agree to raise the rate.

The possible consumption tax hike is being mentioned in connection with a law requiring raising the government's contribution to the basic pension scheme from the current one-third to half in FY2009.

Difficult challenges also lie ahead for budget compilation for FY2008. For instance, the government has yet to come up with concrete ways to curb 220 billion yen in automatic increase in social security. Discussion on the extent to which the national road maintenance and improvement project must be pushed ahead is also bound to face rough going. At the same time, many think that Abe's decision to retain the minister of economy, trade and industry and the state minister in charge of economic and fiscal policy reflects

his determination to keep the economic growth strategy intact. In fact, METI Minister Amari put high priority on economic growth in his press conference yesterday.

Still, the government is likely to shift weight to local areas and small businesses. Economic and Fiscal Policy Minister Ota already unveiled a plan yesterday to establish a local-style Council on Economic and Fiscal Policy.

Foreign and security affairs

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Prime Minister Abe who advocates "proactive diplomacy" has also appointed former foreign minister Nobutaka Machimura as new foreign minister and another former foreign minister Masahiko Komura as defense minister. Machimura and Komura, who are on friendly terms as faction heads, will join efforts in addressing an extension of the Antiterrorism Special Measures Law. The ability of the veteran duo will also be tested in dealing with the deadlocked North Korean nuclear and abduction issues.

In 2004-2005, Machimura busied himself in trying to find ways to improve relations with China and South Korea as foreign minister of the then Koizumi cabinet. This time, his leadership will be tested with preparatory work for next year's Tokyo International Conference on African Development (TICAD), the 2008 G-8 Hokkaido Toyako Summit, and measures against global warming.

To the Foreign and Defense Ministries, extending the antiterrorism law beyond its November 1 expiry is the most pressing issue. The law has been the legal basis for the Maritime Self-Defense Force's refueling services to the US-led coalition forces in the Indian Ocean.

DPJ President Ichiro Ozawa has expressed his opposition to the law's extension. Unlike former Defense Minister Koike, who played up her antagonistic stance toward the Ozawa-led DPJ, both Machimura and Komura have begun showing flexible stances about altering the bill. At the same time, there are calls in both the ruling and opposition camps for greater information disclosure in order to determine the propriety of the MSDF's refueling operation in the Indian Ocean. Attention will be focused on whether Machimura and Komura can present the MSDF's concrete achievements to persuade the forces opposing the mission in the Indian Ocean.

Meanwhile, many observers think the cabinet reshuffle would not affect the administration's policy toward North Korea, which is controlled by Abe.

In his first press conference yesterday, Machimura reiterated the government's traditional policy course, saying: "Once the abduction issue is settled, Japan will be able to play a more active role in a range of fields, including economic and energy aid."

As talks between Washington and Pyongyang on denuclearizing North Korea moved forward, Japan has begun putting forward the thinking that progress in denuclearization would push the abduction issue toward a settlement. Some Foreign Ministry officials, however, have pointed out the possibility of the denuclearization talks running into snags due to the light-water reactor project and the declaration of North's uranium enrichment plans. Whether or not the Abe cabinet can pave the way for settling the abduction issue might affect the fate of the administration.

Social security

The pension-record mismanagement would be one of the focuses in the fall extraordinary Diet session. The DPJ intends to exercise its investigative powers to summon relevant personnel to testify before the Diet. Health, Labor and Welfare Minister Yoichi Masuzoe shares the opposition bloc's call for greater information disclosure. An MHLW official described Masuzoe this way: "He is the kind of person who calls a spade a spade. He doesn't hesitate to point out problems, and that's fine with us."

The DPJ is also expected to present a bill prohibiting insurance premiums for purposes other than paying benefits. At present, of the 380 billion yen necessary for running the pension recordkeeping system and offering consultation services, 200 billion yen is covered by pension premiums. The DPJ-proposed legislation would force the government to find a new financial resource. Finding a settlement point with the DPJ would be difficult.

A warning yellow light is also flashing for the option of raising the government's contribution to the basic pension scheme. The option would discourage the debate on hiking the consumption tax as a promising alternative financial resource. Masuzoe, too, has expressed a cautious view about raising the consumption tax.

But a delay in raising the government's contribution would deteriorate pension funding, possibly resulting in decreased pension benefits and higher pension premiums.

The issue of integrating the employee and the mutual aid pension programs into one is also far from being settled. The DPJ favors a single program that incorporates the National Pension Plan as well. Over sweeping pension reform, there also is a deep gulf between the DPJ, which calls for a new minimum pension benefit system totally financed by tax money, and the ruling bloc, which wants to maintain the current system.

(3) New Abe cabinet to take cooperative stance with the opposition in extra Diet session with eye on extension of Antiterrorism Law

MAINICHI (Page 5) (Full)
August 28, 2007

With the inauguration of a new cabinet of Prime Minister Shinzo Abe yesterday, the major political issue will change to debate at the extraordinary session of the Diet to be convened as early as Sept. 10. Following the trading of placed between the ruling and opposition camps in the July 29 House of Councillors election, the ruling coalition intends to place importance on discussion in the upcoming extra session, while the Democratic Party of Japan (DPJ) has already decided to reject a bill extending the Antiterrorism Special Measures Law, to which Abe gives top priority. The DPJ plans to continue pursuing the "politics and money" scandals, as well as the pension record-keeping debacle. Therefore, a fierce battle will develop over those issues, contrary to the ruling camp's strategy of "taking a modest approach."

At a press conference yesterday, Liberal Democratic Party (LDP) Policy Research Council Chairman Nobuteru Ishihara explained his basic stance of managing Diet affairs, saying:

"As responsibility of the ruling camp, which has become a minority in the Upper House, my major mission is to make efforts to pass policies and bills through the Diet through consultations with the opposition camp."

Ishihara experienced cooperation with the opposition during the 1998 extra Diet session, in which the Early Financial Correction law was enacted.

Deliberations on the bills to extend the Antiterrorism Law, which is set to expire on Nov. 1, will top the agenda in the upcoming extra

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Diet session, which will convene probably on Sept. 10. The ruling bloc wants to get the legislation through the Lower House in mid-September through the DPJ's cooperation. Abe apparently appointed veteran lawmakers -- Nobutaka Machimura and Masahiko Komura, who are well versed in foreign and defense affairs -- as foreign and defense ministers with an eye on an extension of the Antiterrorism Law.

The question is how to deal with the legislation in the Upper House,

which the opposition party controls, not in the Lower House, in which the ruling coalition has two-thirds of the seats. If the bill fails to clear the Diet, the Abe administration would be in danger. In case the bill is rejected in the Upper House, the ruling parties are considering an option of extending the law through second voting at the Lower House. However, this means a failure in negotiations with the opposition, boosting tensions in the political situation. The Abe administration will unavoidably encounter difficulties.

DPJ Secretary General Yukio Hatoyama indicated in a press meeting yesterday that his party would not make any deal with the ruling coalition in managing Diet affairs. He stated at party headquarters: "The opposition should not maneuver behind the scenes, while fighting on the surface."

The DPJ has envisioned a fierce battle with the ruling coalition at the Upper House by submitting its own bill to revise the Political Funds Control Law and other tactics. The party intends to exercise the full range of administrative investigation rights if any politics-money scandals involving new cabinet ministers are discovered.

Meantime, the ruling camp, which will be forced to walk a precarious tightrope in managing Diet affairs, plans to zero in on the bill to extend the Antiterrorism Law in the extra Diet session in September. A senior LDP member said that the LDP would have no choice but to accept a bill to ban the use of pension premiums for other purposes than for pension benefits.

The government and ruling coalition want to convene the extra Diet session on Sept. 10 and begin a meeting on the 18th of the Budget Committee after the prime minister's policy speech and party representatives' questions. They assume that the session will last for about 60 days up until early November.

(4) Editorial: Reform is last means of survival for new Abe cabinet

NIKKEI (Page 2) (Full)
August 28, 2007

The ruling camp lost its majority in the July Upper House election. In an effort to survive under such a situation, Prime Minister Shinzo Abe launched his new cabinet yesterday. The new cabinet lineup shows Abe's willingness to solidify the unity of the ruling camp. Abe will have to pigeonhole for the time being his own policies, such as a change in the government's interpretation of the right to collective self-defense stipulated in the Constitution. The Abe administration should tenaciously discuss matters with the Democratic Party of Japan (DPJ), which has control of the Upper House, and make efforts to put the economy on a sustainable recovery track by steadily forging ahead with fiscal, administrative, and regulatory reforms. This is the Abe administration's top priority mission.

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A series of scandals involving cabinet ministers were one of the major causes for the Liberal Democratic Party's (LDP) crushing defeat in the election. Some cabinet ministers were unable to perform their duty to explain in connection with office-expense scandals, and other members made improper remarks that rubbed the voters up the wrong way. Agriculture, Forestry and Fisheries Minister Toshikatsu Matsuoka, who had been attacked over his fund groups' bogus reports on office expenses, committed suicide, sending a shock wave across the nation.

The opposition camp strictly urged Prime Minister Abe to take responsibility for appointing Matsuoka as a cabinet minister. The problem was that Abe's continued protection of such scandal-tainted cabinet members resulted in aggravating the problem. Since Prime Minister Abe and the Prime Minister's Office (Kantei) failed to take prompt action, people began to be skeptical about whether they were capable of crisis management. It is undesirable to frequently change cabinet members, like regular personnel changes, but the prime minister must not be hesitant about dismissing those unqualified to work as a cabinet minister.

Prime Minister Abe this time around took the time and carefully picked proper persons for cabinet posts. When he formed his first cabinet, the cabinet was criticized as a "cabinet of friends" that rewarded supporters with appointments. Keeping this experience in mind, the prime minister gave priority to a whole-party approach this time. When considering the current severe political circumstances surrounding the Abe cabinet and the LDP, it might be natural for Abe to give top priority to unity in the party.

Abe also overhauled his party's leadership by appointing Taro Aso as secretary general. Aso has political ideals similar to those of Abe,

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and they are on friendly terms with each other. Aso also promptly expressed his support of Abe's remaining in office on the day of vote counting in the Upper House election. But his capability for party management remains unknown. Nobuteru Ishihara, who was named chairman of the LDP Policy Research Council, is certainly a fresh face, but there is also concern about his competence. In solidifying the party and steering the Diet, Ishihara may greatly depend on the coordination capability of Toshihiro Nikai, who was picked as General Council chairman.

Abe tapped Kaoru Yosano as chief cabinet secretary. He installed veteran LDP lawmakers who are expert on policy making and are capable of unifying the party to key posts, with the aim of regaining the Kantei's functions, which was criticized as lacking stability. The prime minister named Yoichi Masuzoe as health, labor and welfare minister responsible for tackling the pension issue and disbanding the Social Insurance Agency, and Masahiko Komura as defense minister saddled with the issue of extending the Antiterrorism Special Measures Law. Both will be pressed to reconstruct their ministries for the time being.

With an eye on the Lake Toya Summit next year, Abe tapped Nobutaka Machimura as foreign minister and Ichiro Kamoshita as environment minister. He appointed Fukushima Nukaga as finance minister. Abe retained Akira Amari and Hiroko Ota as economy, trade and industry minister and state minister in charge of economic and fiscal policy, respectively. They are all veteran lawmakers.

As a star item in the appointments, the prime minister awarded the

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post of internal affairs and communications minister to former Iwate Governor Hiroya Masuda, who was known as a reformist governor and is now from the private sector. This appointment probably reflects his consideration to voters' strong dissatisfaction shown at the disparities between urban and local areas in the Upper House election.

To revitalize local communities, it is important to promote decentralization and regulatory reform, instead of doling out subsidies. We expect Masuda to take the lead in conducting discussion on promoting deregulation and introducing a regional system in a positive manner.

The new lineup shows Prime Minister's switch of policy emphasis from security, constitutional revision, and educational reform to economic growth, pension problems, and regional revitalization. This about-face naturally reflects the outcome of the Upper House election. In order to regain voters' support, the administration was pressed to demonstrate its emphasis on domestic affairs and to make arrangements to build a united party as part of efforts to reconstruct the LDP.

The Abe cabinet has its back against the wall. The support rating for the cabinet also remains at a low level. With the opposition camp has control of the Upper House, no prospects are in sight for a bill designed to extend the Antiterrorism Law to be adopted in the Diet. Although the ruling camp holds more than two-thirds of all the seats in the House of Representatives, the road ahead of the ruling bloc is likely to be bumpy in the extraordinary diet session this fall and the ordinary Diet session next year.

The Abe cabinet might be able to get out of the current hard situation if it makes steady efforts to put the economy onto a recovery track and to attain sustainable economic growth, without loosening its grip on reforms. Regional revitalization will also be realized through economic growth. The administration must not slow down its reform drive by easily distributing subsidies. To regain voters' trust, Prime Minister Abe should send a message at home and abroad expressing his determination to continue to carry out reforms and implement them.

(5) Government starts effort to revise bill to extend Antiterrorism Special Measures Law: Consideration to be given to DPJ's wishes

MAINICHI (Page 1) (Full)
Evening, August 28, 2007

The government today has started looking into the possibility of revising a bill amending the Antiterrorism Special Measures Law, the focus of highest attention in the extraordinary Diet session to be convened in the fall. It is envisaging a switch of Self-Defense Force's operations from refueling activities in the Indian Ocean to other types of logistical support in the form of reflecting the wishes of the Democratic Party of Japan (DPJ or Minshuto), which is opposing an extension of the present law. It will rush to ready a revised bill in cooperation with the ruling camp in the hope of entering revision talks with the DPJ in the extraordinary Diet session expected to be convened on Sept. 10.

Defense Minister Masahiko Komura during an inauguration press conference yesterday indicated a flexible stance toward revising the amendment bill. He noted, "We will hear the views of the DPJ and

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consider whether there are proposals that can be adopted, involving the entire cabinet. The government should allow some revisions to the extension bill. "Foreign Minister Nobutaka Machimura during a press conference the same day also noted, "If we can obtain constructive replies and agreements from the DPJ, we must take good care of them."

Chief Cabinet Secretary Kaoru Yosano in the press conference held yesterday morning also indicated understanding: "Our stance is that the government should not continue its rigid attitude."

DPJ head Ichiro Ozawa is opposing the idea of extending the law, based on the principle that the maritime refueling activities by the MSDF dispatched under that law are not based on the United Nations Security Council's (UNSC) resolution." However, his stance is flexible to the dispatch of MSDF troops to the International Security and Assistance Force (ISAF), which is based on the UNSC resolution. It is absolutely impossible for SDF troops to take part in the main part of the ISAF, which engages in actual battles, according to a senior SDF officer. The government will likely consider the transportation of goods from neighboring countries as a realistic possibility.

(6) Shiten (Viewpoint): Japan should consider long-term impact of Antiterrorism Law

ASAHI (Page 11) (Slightly abridged)
August 27, 2007

By Kurt Campbell, former deputy assistant secretary of defense, and Michael Green, former senior director for Asian affairs at the National Security Council

Democratic Party of Japan (DPJ) President Ichiro Ozawa seems to be determined to drive the Abe administration into corner by blocking an extension of the Antiterrorism Special Measures Law. Ozawa's stance has disappointed those Americans who still remember Ozawa's efforts to protect the Japan-United States alliance as deputy chief cabinet secretary about 20 years ago. We hear that Ozawa believes that even if his opposition undermines the Japan-US alliance, no one will remember this if the Democratic Party wins the presidential election in the US and if the DPJ seizes political power in Japan. We think such a view is incorrect. We hope Ozawa will reconsider his

opposition and find a creative and effective way to reach a compromise with the Abe government.

DPJ members seem to think that a withdrawal of Maritime Self-Defense Force's (MSDF) naval ships from the Indian Ocean will only hurt the relationship between President Bush and Prime Minister Abe. The two leaders have been exposed to domestic criticism. In the US, in particular, public views are split over the propriety of the Iraq war. The law that Ozawa is willing to kill provides the basis for Japan to dispatch naval vessels to support the war on terrorism in Afghanistan. It has nothing to do with Iraq. In the US, many members of Congress from both parties support the campaign in Afghanistan. Should Japan drop out of the Coalition of the Willing, which is fighting with the Taliban government and Al-Qaeda, the next US administration, regardless of which party - Democratic or Republican - wins the presidential election, will be skeptical of Japan's credibility as an ally.

Pakistan President Musharraf and Afghan President Karzai have highly

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evaluated the contributions by the MSDF. The Indian government is also eager to strengthen strategic ties with Japan and has welcomed the operations by the MSDF in the Indian Ocean. Persian Gulf countries also give high marks to Japan's dispatch of Ground, Maritime, and Air Self-Defense Force troops, against the backdrop of uncertainty looming over the situation in Iraq and China's attempt to strengthen its access to and influence in the region blessed with abundant oil resources. Each nation expects Japan to play up its military and diplomatic presence in the region, hoping to see the region stabilized.

Persian Gulf nations and Japan have strengthened relations mainly in the diplomatic and economic areas. But Japan's readiness to offer military contributions demonstrates how seriously Japan is to fulfill its strategic role in the South Asian and Southwest Asian regions.

Japan's withdrawal from the Coalition of the Willing would affect other coalition members, as well. In Canada's case, some of its soldiers were killed in Afghanistan. Australia, South Korea, and New Zealand also have dispatched troops and personnel for various types of rescue operations at their peril. The Coalition of the Willing also includes members of the North Atlantic Treaty Organization (NATO). As it stands, major democratic countries in the world have been involved in the war in Afghanistan, because they view it as a conflict between world civilization and terrorism. They have supported Japan playing a major role in the world. Whether Japan joins hands with these countries in Afghanistan will affect to what extent Japan's leadership will be approved at the G-8 summit, the Asia-Pacific Economic Council, and the United Nations Security Council (UNSC).

If the DPJ is able to grab political power in the near future as a result of Ozawa's successful opposition to an extension of the Antiterrorism Special Measures Law, would it be possible for the DPJ president to tell his Canadian and Australian counterparts that Japan is cooperating with them in fighting terrorism and is ready to play a more significant role in the international community? After Japan withdraws Maritime Self-Defense Force forces due to the expiration of the Antiterrorism Law, would the Japanese ambassador to the UN be able to say that Japan is ready to perform the responsibility required of a permanent UNSC member?

North Korea would be pleased to see Japan withdrawing MSDF troops from the Indian Ocean and the US-Japan alliance being undermined.

Many countries are expected to respect Japan's decision and continue to value relations with Japan. But they may reconsider their views about Japan's role in the international community.

Ozawa should be aware of such a possibility. When Iraq invaded Kuwait, the international community expected Japan to play a leading role, but the Kaifu cabinet was unable to meet such expectations. At that time, Ozawa made more efforts than any other members in the LDP to prevent Japan's diplomatic position from collapsing. Later, Ozawa

set up his vision of making Japan into "an ordinary country," in which he stressed the need for Japan to play its due role in the international community. It took as long as 10 years until the international community began to seriously treat Japan as its partner. It is significant to remember this, because even if coalition countries can perform the part played by the MSDF after its withdrawal, and even if the DPJ grabs power, it will take many

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years for Japan to restore its scarred reputation.

(7) Ozawa's betrayal as he turns anti-US

SANKEI (Page 7) (Full)
August 25, 2007

Yoshihisa Komori, Washington

Is Ichiro Ozawa a wolf in sheep's clothing? Ozawa is president of the major opposition Democratic Party of Japan (DPJ or Minshuto). He has been opposed to extending the Antiterrorism Special Measures Law. Japanologists in the United States are actively exchanging views over Ozawa's attitude. For instance, a hot debate is unfolding among Japan watchers on a Japan affairs-related website of the private-research institute "National Bureau of Asian Research" (NBR) with their real names shown.

A veteran journalist who has covered Japan-US relations for three decades wrote: "Mr. Ozawa has disguised Japan's long-sustained attitude of not doing anything internationally in the area of security affairs by emphasizing his slogan of 'prioritizing the United Nations.' It's absolutely clear that the UN is powerless on the security front." The journalist portrayed Ozawa as a wolf in sheep's clothing.

A scholar who has studied Japan over dozens of years noted:

"Mr. Ozawa's opposition to extending the Antiterrorism Special Measures Law is apparently intended to prevent a group of former socialists in his party opposed to Japan taking any defense action from leaving the party. At the time of the Gulf War, no Japanese politician other than Ozawa strongly insisted on the need for Japan to cooperate with the US in the security area and on the need for Japan to dispatch Self-Defense Forces (SDF) personnel abroad,"

The two Americans expressed similar skepticism about Ozawa. They noted that Ozawa tends to turn anti-American or assume an attitude to oppose international cooperation, even if that means shifting his long-held views, once he sets his aim at rocking the Liberal Democratic Party (LDP)-led government or at achieving his party's goal of taking the helm of government.

Dr. James Auer, former Japan desk director at the Pentagon was more acid in criticizing Ozawa:

"Does Mr. Ozawa think that the UN will protect Japan from North Korea's missile threat or a contingency over the Taiwan Straits or China's ambitious military build-up? Japan's SDF's refueling operations going on in the Indian Ocean under the Antiterrorism Special Measures Law have been viewed not only as a valuable contribution to the US-Japan alliance but also critically important cooperation for international security efforts by a number of countries fighting international terrorists in Afghanistan. Ending such refueling services would be viewed as moving away from the US-Japan alliance, as well as from international security operations. It would cause a significant loss for Japan's own security."

Even in the US political world, peacekeeping operations in Afghanistan apparently have been endorsed widely. Even Senator Barack Obama, a Democratic presidential candidate opposed to the

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deployment of US troops in Iraq, and House of Representative Tom

Lantos, who criticized Japan for its former comfort women issue, have admired Japan's logistical assistance to the multinational forces in the Indian Ocean as an important contribution to exterminating international terrorists and stabilizing Asia.

Even among Republicans, former Mayor of New York Rudolph Giuliani, who plans to run for the presidency, highlighted the importance of Japan increasing security cooperation through the bilateral alliance, warning that if operations in Afghanistan failed, that country would become a paradise for terrorists. Moreover, a resolution appreciating the US-Japan alliance was adopted by a majority of bipartisan votes in the House Foreign Affairs Committee, which did so to minimize the possible adverse impact of the so-called comfort women resolution earlier adopted by the House. The resolution appreciating Japan's role in the alliance highly praised Japan's refueling operations in the Indian Ocean.

Ozawa's opposition to extending the law is certain to meet with bipartisan objections in the US.

In addition, the campaign to eliminate terrorists from Afghanistan has wide international participation. Aside from the degree of their participation, a total of some 30 countries, most of which are NATO members, have taken part in the campaign. I, too, visited Kabul and saw firsthand troops from Romania and Italy engaged in peacekeeping operations. I then realized that the operations international in nature. It is the international consensus that peacekeeping operations in Afghanistan have the approval of the United Nations Security Council (UNSC) under Resolution 1386.

Auer criticized Ozawa also for his allowing the media to cover every part of his meeting with US Ambassador to Japan Thomas Schieffer, describing such a behavior as "running counter to diplomatic protocol and rude toward the US." Auer rapped Ozawa for his apparent tendency to shift even his basic policy if he is motivated by his desire to grab political power.

These two elements appear linked to each other. Making light of the US ambassador to Japan and demonstrating an "anti-US" stance in Japan may be a somewhat childish act but it may appeal to a portion of the Japanese public.

In the early 1990s, Ozawa was renowned both in Japan and the US as a political leader most receptive to America's desires and concerns, since he then attached importance to bilateral ties in dealing with market opening issues and economic disputes, as well as the question of dispatching the SDF abroad at the time of the Gulf War. Ozawa was then even called a "traitor to the country" by Hiromu Nonaka and other influential politicians. But now Ozawa has turned anti-US and is peddling an anti-US policy stance. Is this the way Japanese politics is?

(8) Ozawa's irresponsible anti-US performance

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The Democratic Party of Japan (DPJ or Minshuto) now has the Liberal Democratic Party and New Komeito on the run, the ruling coalition

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having lost its majority in the House of Councillors as a result of the recent election. Cashing in on that momentum, the DPJ has launched a battle aimed at a victory in the next House of Representatives election that would allow it to take over the reins of government. To start the process, the DPJ plans to vote against a bill extending the Antiterrorism Special Measures Law beyond its Nov. 1 expiry. Under the anti-terror law, the Maritime Self-Defense Force has been staging its vessels in the Indian Ocean to engage in refueling activities there. The DPJ, however, has plans to force a recall of the MSDF unit.

The DPJ has given its endorsement to the SDF's proactive participation in United Nations peacekeeping operations (PKO).

However, the party has preconditioned such PKO participation on a UN Security Council resolution.

The UNSC's current functions, however, are still insufficient. The interests of the permanent members are entangled, and the international situation is complicated. As it stands, UNSC actions are very limited. A UNSC resolution uses equivocal wording if the permanent members have different stakes. Ambivalent resolutions allow them to interpret them as they please. Actually, many countries think UNSC Resolution 1746—which requests international community members to continue their assistance with Afghanistan's reconstruction efforts—is enough for them to participate in an antiterror drive and other operations conducted in Afghanistan.

Accordingly, should the DPJ concept of a "brake" be strictly applied, Japan will be almost unable to have the SDF fulfill Japan's international responsibilities to resolve important issues arising in the international community (or issues that are directly connected to Japan's vital interests).

The DPJ is free to oppose the legislation revising the antiterror law as its political tactic. However, I wonder if the DPJ has an alternative plan for how Japan would take part in the international community's antiterror campaign in Afghanistan once the MSDF ships were recalled.

The MSDF is now on a refueling mission in the Indian Ocean. In my view, this is the best possible option for Japan. If Japan is not able to do so, two alternative options are available.

These would be apart from Japan joining the North Atlantic Treaty Organization's military operations in Afghanistan. One conceivable option for Japan would be to bankroll NATO with a huge amount of money for the time being. With the DPJ saying that Japan should not send SDF members but should make personnel contributions, the second option would be to pick several dozen volunteers from among the DPJ's crackerjack young people and send them to Afghanistan.

Afghanistan's public security has turned very difficult—as seen from the fact that a group of religious volunteers from South Korea were kidnapped and some even slain. It is most difficult and dangerous to send civilians to Afghanistan now.

The DPJ has criticized the Koizumi and Abe governments for "clinging to the United States" not only in a political sense but also in a military sense, claiming that Japan should be more independent of that country. Then, what would the DPJ do for Japan's national security in order for Japan to distance itself from the United States and step up its independence?

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There are five big factors that explain Japan's "clinging" to America in the security area. First, Japan is under the US nuclear umbrella. If the DPJ says Japan should strengthen its independence in the nuclear area, the DPJ should account to the nation in specific terms what it means to do. Second, Japan fully depends on the United States for "strategic striking capability." If the DPJ says Japan should strengthen its independence in this area, does it mean that Japan will also have strategic bombers and intermediate-range ballistic missiles? Third, Japan depends on the United States for the greater part of its military intelligence. Does the DPJ think Japan, as well as the United States and Russia, should have a national intelligence organization like the Central Intelligence Agency (CIA) in order for Japan to display its independence? Fourth, Japan depends on the United States largely for military technologies. If Japan is to scale back on its introduction of military technologies from the United States and make efforts to develop its own, Japan would have to make its defense industry quite colossal. Otherwise, would Japan export weapons to make up for the defense budget with profits from the overseas sales? Fifth, Japan depends on the US Navy's 7th Fleet for the greater part of its sea-lane defense. So, how far would the DPJ build up the MSDF in order for Japan to strengthen its independence?

The DPJ is aiming to take the helm of state. In the run-up to power,

however, the DPJ must make public its own ideas for at least these five principles of strengthening Japan's independence.

The DPJ says Japan should center its foreign policy on the United Nations. Then, I wonder if the DPJ has a realistic process in mind to shape Japan's bid for a permanent seat on the UNSC. The DPJ has never explained its blueprint to the nation.

Many people want to see a two-party system in place. They are waiting for the DPJ to show a convincing answer. The DPJ should make public its down-to-earth security policy to meet the public expectations.

Playing to the gallery, the DPJ only discusses domestic issues that are appealing to the public. DPJ President Ozawa has scoffed at the US Embassy in Japan, and he made a display of his party's stance of being able to say "no" to the United States. Such a stand, however, will not lead to the DPJ being able to take over political power. The public is wiser than the DPJ thinks. The DPJ must not forget this.

DONOVAN